



State Board of Equalization

# News Release

**Chairman Jerome E. Horton**

**4<sup>th</sup> District – Los Angeles**

Kristine Cazadd  
Interim Executive Director  
[www.boe.ca.gov](http://www.boe.ca.gov)

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**Contact: NR 69-11-H  
Anita Gore  
916-327-8988**

## **California's Taxable Sales Up First Quarter 2010**

### *More Recent Estimate for First Quarter of 2011 Shows 8.5% Increase*

Jerome E. Horton, Chairman of the California State Board of Equalization (BOE), today announced that an increase in California taxable sales ended a 10-quarter slide in the first quarter of 2010. California taxable sales totaled \$108.6 billion in the first quarter, up \$1.4 billion (or 1.3 percent) from the first quarter of 2009. The last quarter of positive growth in year-over-year taxable sales was the second quarter of 2007, when such sales rose 0.9 percent.

Additionally, more recent data indicate that a more pronounced recovery in taxable sales has occurred since then. Specifically, Board of Equalization staff has developed an estimate of statewide taxable sales for the first quarter of 2011, based on cash receipts. Taxable sales are estimated to have risen 8.5 percent in the first quarter of 2011 over the same period a year earlier, the best showing since the 3rd quarter of 2005 (when taxable sales rose 10.1 percent). The estimated level of statewide taxable sales for the first quarter of 2011 is \$117.8 billion.

"These numbers show that, after a long and painful recession, taxable sales in California finally turned the corner in early 2010 and it appears the growth continues," said Chairman Horton.

The first quarter 2010 report shows regionally, the counties in the San Francisco Bay Area had the strongest growth, rising 2.6 percent (twice the statewide total), while those in Southern California rose 0.9 percent. Growth was generally weaker in the interior counties of the state; taxable sales in the San Joaquin Valley declined 0.5 percent (the only region to experience a decrease).

Taxable sales in Los Angeles County rose slightly by 0.4 percent in the first quarter of 2010 from the first quarter a year earlier, but lower than the statewide increase of 1.3 percent. Los Angeles, the state's largest city, also posted a first quarter of 2010 increase of 1.3 percent, while in Long Beach, the state's sixth largest city, taxable sales increased by a strong 7.1 percent in the first quarter of 2010.

The Board of Equalization has now completed its process of converting business codes of sales and use tax permit holders to North American Industry Classification System (NAICS) codes, and the first quarter of 2010 is the first time that year-over-year percentage changes are available by industry.

Gasoline station sales in the first quarter of 2010 increased over 30 percent, the largest gain of any major category. Taxable sales made by gasoline stations were \$10.3 billion. The average price of gasoline at the pump increased 40 percent during the first quarter of 2010, which lifted total taxable sales made by service

stations. Gallons of gasoline purchased in the first quarter of 2010 actually decreased slightly, dropping 1.0 percent from the first quarter of 2009.

Clothing and clothing accessory stores had the next largest increase, 7.9 percent, followed by general merchandise stores (which rose 4.5 percent) in the first quarter of 2010. Taxable sales at general merchandise stores represent the largest nondurable retail category, and totaled \$10.2 billion in the first quarter of 2010.

First quarter 2010 taxable sales by motor vehicle and parts dealers were essentially flat, rising 0.7 percent. Within this category, taxable sales of used car dealers rose 10.4 percent, while those of new car dealers were much more muted, rising only 0.4 percent in the first quarter of 2010.

Taxable sales made by building materials dealers and gardeners slipped 0.1 percent, while those of furniture and home furnishing stores declined by 0.5 percent in the first quarter of 2010. Electronics and appliance stores saw taxable sales decline by 5.5 percent.

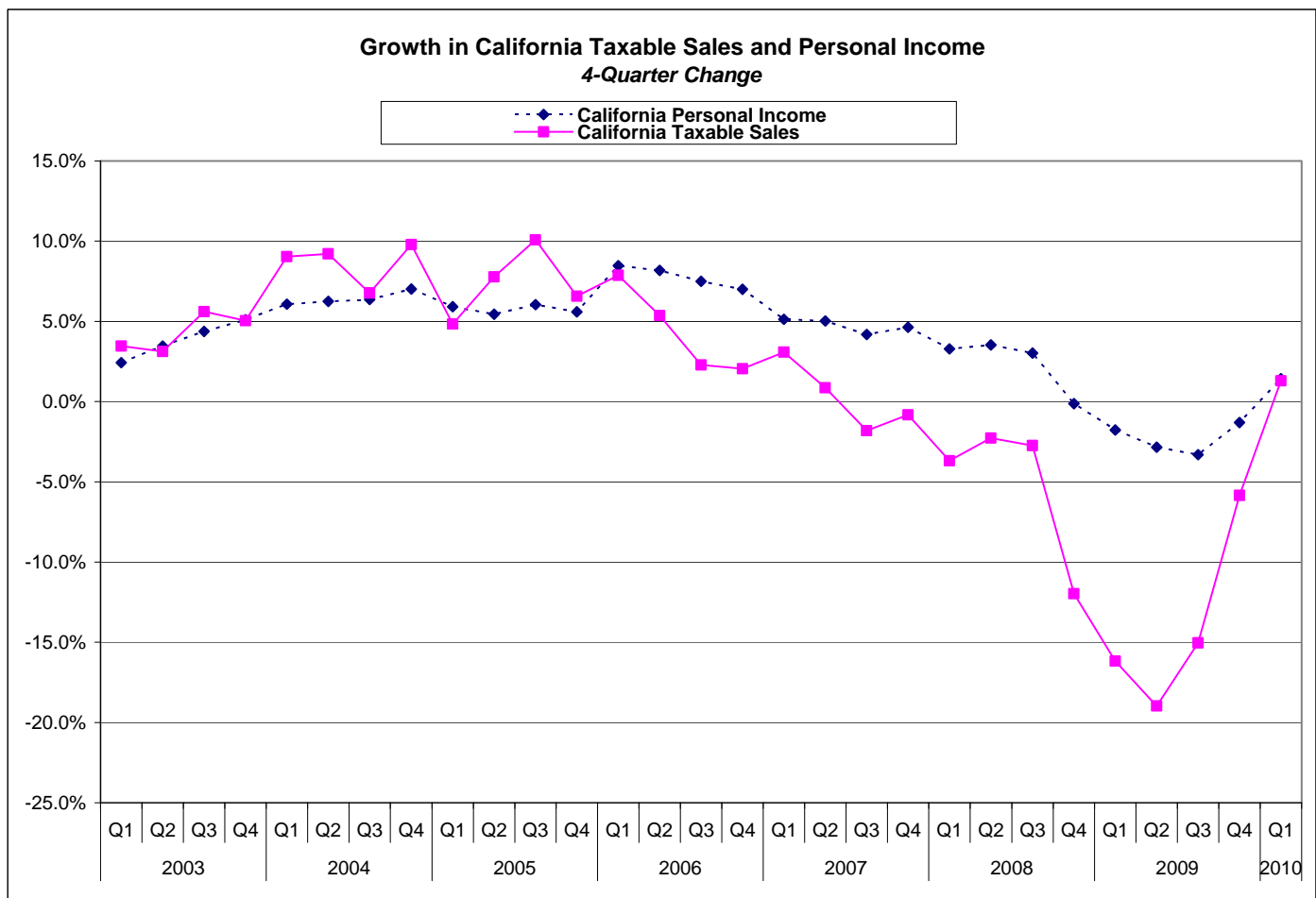
Sales from “all other outlets” (comprised primarily of manufacturing and wholesale businesses) in the first quarter of 2010 were down 4.8 percent, to \$33.6 billion.

Taxable Sales in California is a quarterly report on retail sales activity in California, as measured by transactions subject to sales and use tax. It includes data about statewide taxable sales by type of business, as well as data about taxable sales in all California cities and counties.

To view all taxable sales in California, visit: [www.boe.ca.gov/news/tsalescont.htm](http://www.boe.ca.gov/news/tsalescont.htm).

To view the first quarter of 2010 taxable sales in California, visit: [www.boe.ca.gov/news/tsalescont10.htm](http://www.boe.ca.gov/news/tsalescont10.htm).

***Editor’s Note: The chart below compares Growth in California Taxable Sales and Personal Income.***



Elected in 2010, Chairman Jerome E. Horton is the Fourth District Member of the California State Board of Equalization, representing more than 8.5 million residents in Los Angeles County. He is also the Board of Equalization Legislative Committee chairman. He is the first to serve on the Board of Equalization with over 21 years of experience with the Board of Equalization. Horton previously served as an Assembly Member of the California State Assembly from 2000-2006.

The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects more than \$48 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit [www.taxes.ca.gov](http://www.taxes.ca.gov).

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